

Resolution # 2019 - 3

RESOLUTION TO PURCHASE PROPERTY

At the regular meeting of the City Council of the City of Dexter, Michigan, called to order by Mayor Keough on February 11, 2019, at 7:00 p.m.

Present: Bell, Cousins, Fisher, Knight, Michels, Smith, and Keough

Absent: None

The following resolution was offered by Member Smith and supported by Member Michels:

WHEREAS, The City of Dexter (*City*) desires to provide exceptional fire protection services to its citizens in a fiscally responsible manner;

WHEREAS, The City Council has:

- Recognized that no perfect location exists that would be centrally-located within the City, be available for purchase at a reasonable cost, and be able to provide adequate space for a modern fire station; and
- Spent significant time and expense examining numerous locations for a new fire station within the City, reviewing the potential of at least 10 sites;

WHEREAS, The current fire station:

- Has long ago become functionally obsolete and does not provide adequate space to store or service the necessary fire apparatus or provide support for firefighters;
- If expanded at the current location it would likely result in increased operational costs to the DAFD when compared with a modern fire station.
- Expanded or rebuilt, it would still not adequately address the functional needs of a modern fire station and could potentially have a significantly negative impact on Mill Creek Park and Mill Creek;
- Expanded or rebuilt, it would not provide room for any expansion in the future, could be functionally obsolete soon after opening, and make it necessary to begin work to find a new location or additional substation in the near future;
- Is not centrally located within the City as the town has grown in all directions since the 1950's when the station was built; growth to the east consists of residential developments, multiple retail centers, the business and research park, and many school buildings;
- Is no longer the only fire station used by the DAFD with Dexter Township having built a substation and Webster Township working toward building a substation;

WHEREAS, Potential sites for a new fire station included, but not limited to: the current 8140 Main Street location, City-owned property on Dan Hoey, the current site of Grandview Commons (old Pilot Plastics factory), vacant property at the intersection of Mast and Joy Roads, a portion of the American Legion property, industrial properties on Second Street, the old St Joseph School property, the Copeland property, and the MAVD property on Dexter-Ann Arbor Road;

WHEREAS, The MAVD property located at the intersection of Dexter-Ann Arbor Road and Meadow View Drive has been identified as the best available piece of vacant, buildable property within the City and with consideration of,

- No other sites have been identified within the City that would provide adequate room for a modern fire station at a reasonable cost;
- The site provides ample room for a modern fire station with potential for future expansion;
- The DAFD Chief has stated that the site is likely to provide overall better response times within the City than the current location;

WHEREAS, City finances take into account:

- The City desires to maintain cap space to ensure the ability to secure a bond, if necessary for any unforeseen emergencies that would require significant capital expenditure;
- The City has been and is likely to continue to be able to pay off \$800,000 to \$900,000 of its current bond debt per year, increasing the City's ability to bond;
- Property values in the City have increased significantly and are likely to continue to increase in the future, with current developments under construction (Grandview and 150 Jeffords) likely to increase the state equalized value of properties within the City by roughly \$14.4 Million, increasing the City's ability to bond;
- The City Council has adopted a goal of having a millage rate at or near the lower range of communities in Washtenaw County; and an increased millage rate to pay for property acquisition and fire station construction would likely continue to keep the millage rate for homesteaded properties within the city at or near the lowest within Washtenaw County;
- The City has approximately \$294,074.58 in funds currently restricted to facilities and potentially \$187,500.00 from the sale of the City-owned Dan Hoey property;

WHEREAS, Fire station construction costs:

- In southeast Michigan have and are likely to continue to increase at a rate of 5 to 11 percent per year;
- For expansion at the current location, last estimated to cost \$3.9 Million in 2017, does not appear to include significant cost items, including, but not limited to, an elevator, and costs to continue fire station operations during construction;
- The estimate for a modern fire station at the MAVD site on Dexter-Ann Arbor Road is estimated to cost \$6.2 Million, but that design has not undergone any value engineering to reduce the cost; construction at any other undeveloped location would generally be similar while the cost at already developed locations would generally be greater;

NOW, THEREFORE, BE IT RESOLVED that the City of Dexter desires to construct a modern fire station within the City limits; and

BE IT FURTHER RESOLVED, that the City of Dexter desires to acquire a buildable site located at the northeast corner of Dexter-Ann Arbor Road and Meadow View Drive in the City of Dexter; and

BE IT FURTHER RESOLVED, that City Council directs Staff to work with City Counsel, the Mayor and two members of City Council (one voting in favor of and one voting against this

Resolution, or two voting in favor if no votes against) to negotiate with MAV representatives and prepare a Purchase Agreement for City Council to consider at its first meeting of March 2019, with the following provisions:

- The agreement shall be drafted to allow the City to purchase the property as is, unless unknown environmental issues arise following proper inspection of property;
- The agreement shall be valid for at least 6 months from the date of endorsement by both parties;
- The negotiations may include provisions for restricting the property's availability for sale for a specified period based on a down payment or earnest money paid;
- Any other terms agreed to during City Council Closed Sessions; and

BE IT FURTHER RESOLVED, that any proceeds from the future sale of the City-owned Dan Hoey property shall be restricted for the purchase of property for or construction of a modern fire station; and

BE IT FURTHER RESOLVED, that this Resolution and the Purchase Agreement shall only be brought forth to Council for reconsideration during the earnest money period or the life of the purchase agreement by a Council member voting with the prevailing side.

AYES: Knight, Smith, Cousins, and Michels

NAYS: Fisher, Bell, and Keough

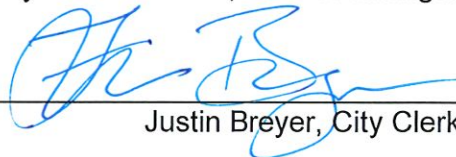
ABSENT: None

RESOLUTION DECLARED ADOPTED THIS 11th DAY OF FEBRUARY, 2019



Shawn W. Keough, Mayor

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Council of the City of Dexter, County of Washtenaw, State of Michigan, at a regular meeting held on the 11th day of February, 2019.



Justin Breyer, City Clerk